



Algebra
Capital
Management
Limited

ANNUAL REPORT

ALGEBRA INCOME TRUST

2023

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Corporate Information

BOARD OF DIRECTORS

Isaac Osei (Chairman)
Kofi Osafo Sampong
Stephan Antoh
Felicia Payin Marfo
Emmanuel Blankson

THE TRUSTEE

Guaranty Trust Bank (Ghana) Limited
25A, Castle Road
Ambassadorial Area, Ridge
P.O. Box PMB CT 416
Cantonments, Accra
Tel :(+233 302) 611 560, 680746, 680 662

THE FUND MANAGER

Algebra Capital Management Limited
5th Floor, Nester Square
North Liberation Link, Airport City
P.O. Box GP 18469
Accra- Ghana
Tel :(+233 302) 778 552, 778 553

SOLICITORS

Afriyie Dwamena & Associates
Hse No F146/2 Lokko Road,
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stephan@adwamena.com
+233 264385880

BANKERS

Guaranty Trust Bank (Ghana) Limited
25A, Castle Road
Ambassadorial Area, Ridge
P.O. Box PMB CT 416
Cantonments, Accra
Tel :(+233 302) 611 560, 680746, 680 662

Consolidated Bank Ghana
P.O. Box PMB CT 363
Cantonments, Accra
Tel :(+233 302) 611 560, 680746, 680 662

AUDITORS

John Kay & Co.
7th Floor, Trust Towers
Farrar Avenue, Adabraka
P.O. Box KIA 16088, Airport, Accra
Tel :(+233 302) 235 406, 238 370

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 3rd Annual General Meeting of unit holders of Algebra Income Trust (AIT) will be held virtually via Zoom on November 5th, 2024 at 10:00 a.m. to transact the following:

1. To receive the Directors' Report together with the Trustee's and Auditor's Reports for the year ended 31st December 2023
2. To receive the Report of the Fund Manager for the Year ended 31st December, 2023
3. To receive and adopt the Financial Statements for the year ended 31st December 2023
4. To authorize the Directors to fix the remuneration of the Auditors

Special Business

1. To request for an approval to rebalance the asset allocation limits of the Algebra Income Trust in the Scheme Particulars

Note

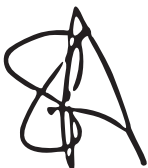
A Unit Holder is entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such proxy need not be a Unit Holder. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via info@algebracapital.com.gh or deposited at the **5th Floor, Nester Square, Liberation Link, Airport City**.

Electronic version of the Unit Trust's Annual Report consisting the Financial Statement, Directors', Fund Manager, Trustee and Auditor's Reports for the year ended 31st December 2023 may be accessed via our website at <https://algebracapital.com.gh/algebra-income-trust/>

Unit Holders are also encouraged to send in any questions in advance of the AGM by mailing them to info@algebracapital.com.gh. Answers to the questions will be provided at the AGM.

Dated this 30th day of September, 2024

BY ORDER OF THE FUND MANAGER



Afriyie Dwamena & Associates

Secretary

PROCEDURE FOR PARTICIPATION

Registration for the AGM

The registration link shall be forwarded to the email addresses and contact numbers of Unit Holders to enable those who wish to participate in the AGM to register accordingly. Unit Holders shall be required to provide relevant information to complete the registration process. After registering, Unit Holders will receive a confirmation email containing information about joining the AGM.

Participate in the AGM

Ensure you have downloaded the Zoom Application onto your device.

1. Raise your hand to either second a motion or ask a question.

On PC

- Click “Participants”.
- Click “Raise Hand” at the bottom of the participants’ dialogue box.

On Mobile

- Tap the three dots labelled “More” on the far right of the control bar.
- Tap “Raise Hand” to raise hand.

2. Type your question.

On PC

- Click “Q&A” at the bottom of the participants’ dialogue box.
- Type your question and submit.

On Mobile

- Tap the three dots labelled “More” on the far right of the control bar.
- Click “Q&A” to type your question.

3. Use the polling feature to vote for or against a motion.

On PC or Mobile

When it is time to vote, the poll will appear on your screen. Tap/Click your preferred option (FOR or AGAINST) to cast your vote. When voting ends, the results will be shared on your screen.

For more information on participating in the meeting, kindly visit our website at <https://www.algebracapital.com.gh>.

PROXY

A Unit Holder who is entitled to attend and vote may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a unit holder. A completed proxy form should be deposited at the registered office of the Fund Manager at 5th Floor, Nester Square, Liberation Link, Airport City or via email to info@algebracapital.com.gh not later than 48 hours before the appointed time of the meeting.

A proxy form is provided in the Annual Reports of the Fund and is also available on the Fund Manager's website, <https://www.algebracapital.com.gh>. All relevant documents in connection with the meeting are available to unit holders from the date of this Notice on <https://www.algebracapital.com.gh> and at the Company's registered office aforesaid.



invest to start your own business...

Algebra Income Trust is here to assist you in fueling your entrepreneurial aspirations. By investing with us, you can accumulate the capital necessary to turn your dreams into reality. Begin your journey by investing with us today.



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www.algebracapital.com.gh

030 277 8553

FUND MANAGER'S REPORT

The Ghanaian Economy: 2023 Overview

Economic Growth

Ghana's economy grew by 2.9% in 2023, a decline from the 3.8% growth recorded in 2022. The Ghana Statistical Service (GSS) highlighted that the final quarter of 2023 saw the highest real GDP growth rate of 3.8%, matching the same quarter from the previous year. In nominal terms, the GDP (including oil and gas) was estimated at GHS 50.65 billion for Q4-2023, up from GHS 48.80 billion in Q4-2022.

The services sector led the growth with an impressive 5.1%, followed by agriculture at 4.5%. The industrial sector lagged, showing a growth rate of just 1.6%. Notably, this year marked the first time in over a decade that four out of the 22 sub-sectors (crops, trade and vehicle repair, mining and quarrying, and manufacturing) accounted for over 50% of Ghana's GDP.

Inflation Trends

Global inflation remained above target levels in many countries but gradually decreased due to lower energy and food prices as well as tighter monetary policies. In Ghana, the year-on-year inflation rate as of December 2023 stood at 23.2%. The food and non-alcoholic beverage inflation rate was particularly high at 28.7%, while the non-food group recorded 18.7%.

Currency Performance

The Ghanaian cedi experienced depreciation in 2023, eroding its value by 27.8%, 31.9% and 30.3% against the US Dollar, Pound Sterling and the Euro. This was a slight improvement compared to the currency's 2022 performance. Excluding the sharp 20.6% drop in January, the cedi depreciated 7.2% against the dollar from February to December 2023.

Fixed Income Market

Interest rates generally trended downwards at the shorter end of the yield curve, with the 91-day and 182-day Treasury bill rates decreasing to 29.39% and 31.70% respectively by December 2023. In contrast, longer-term rates remained stable.

Equities Market

The Ghana Stock Exchange Composite Index (GSE-CI) demonstrated robust growth, rising to 3,130.23 points in December 2023, up 28.1% from the previous year, reversing a loss of 12.4% in 2022. This positive performance reflected a notable shift towards equities, driven by demand in sectors such as food and beverages, manufacturing, and agriculture, alongside relative exchange rate stability.

However, the GSE-Financial Stocks Index (GSE-FSI) experienced a decline of 7.4%, driven by heightened risk perceptions in the financial sector, largely due to the impact of the Domestic Debt Exchange Program (DDEP) on banks' balance sheets. Despite substantial losses in the first half of the year, there was a partial recovery in the second half, as financial institutions began to show improved profitability.

By the end of December 2023, the total market capitalization of the Ghana Stock Exchange stood at GHS 73.89 billion, reflecting an annual growth of 14.6%, a significant increase from the near stagnation seen in 2022. This growth was primarily fueled by rising share prices in the food and beverages, manufacturing, distribution, mining, IT, and agriculture sectors.

Domestic Debt Exchange Program

The Domestic Debt Exchange Programme (DDEP) was launched by the Government of Ghana in December 2022 as a key requirement for securing financial assistance from the International Monetary Fund (IMF). This program aimed to address Ghana's fiscal challenges by restructuring its domestic debt, offering bondholders the opportunity to exchange their existing bonds—such as

ESLA, Daakye, and Government of Ghana Bonds—for new ones with adjusted terms.

Under the initial offer, bondholders with bonds maturing in 2023 were provided with four new bonds, maturing in 2027, 2029, 2032, and 2037. The terms of these bonds were significantly altered, including a zero coupon rate for 2023, followed by a 5% coupon rate in 2024, and a 10% coupon rate from 2025 onwards, continuing until the final bonds mature in 2037.

Specifically, Collective Investment Schemes (CIS), designated as "Category A" bondholders, received bonds with maturity dates in 2027 and 2028, with a 10% coupon rate. These terms reflect an effort to balance the government's need to reduce interest costs while providing some return to bondholders.

As part of the program's relief measures, bondholders were also given the option to access a liquidity support fund, designed to mitigate the immediate impact of the restructuring on institutional investors, especially those whose portfolios were heavily reliant on government securities.

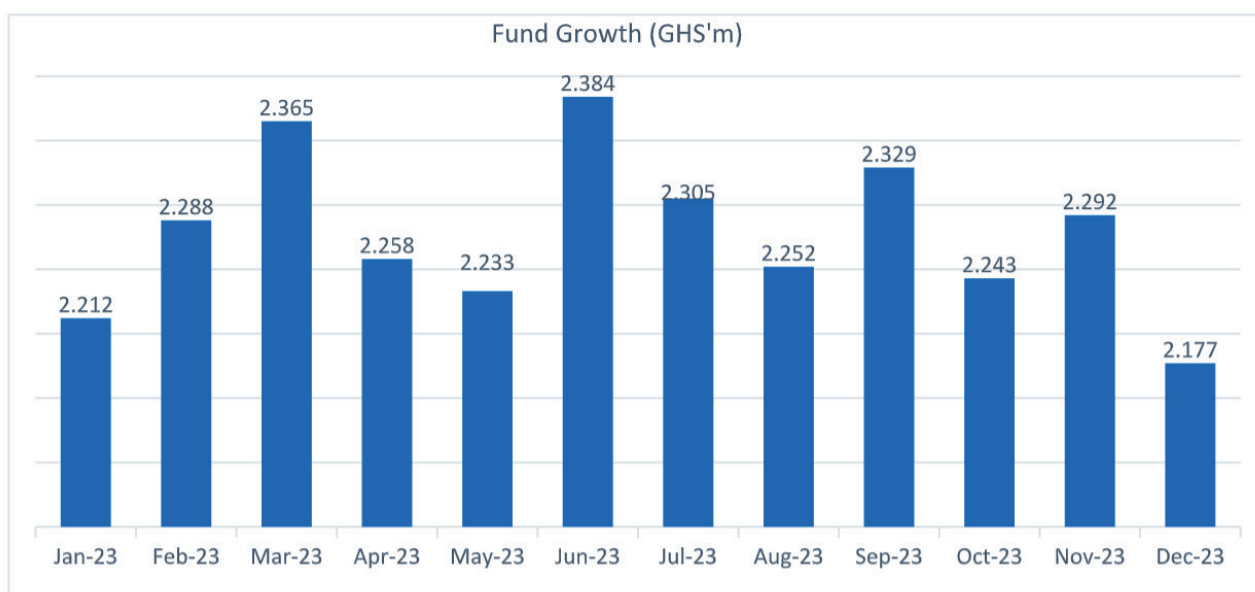
The DDEP, while critical for stabilizing public finances, posed challenges to investors, particularly Collective Investment Schemes like mutual funds, which had previously depended on relatively short-term, high-yielding government bonds. The extended maturity periods and initial lower yields have forced such schemes to reassess their liquidity management and portfolio strategies.

Conclusion

Overall, while 2023 posed challenges for the Ghanaian economy, particularly in terms of inflation and currency depreciation, there were promising signs of resilience, especially within key sectors and the stock market. As we move forward, it will be crucial to monitor these developments closely, as they will significantly influence investment opportunities and economic stability in the coming years.

Fund Performance

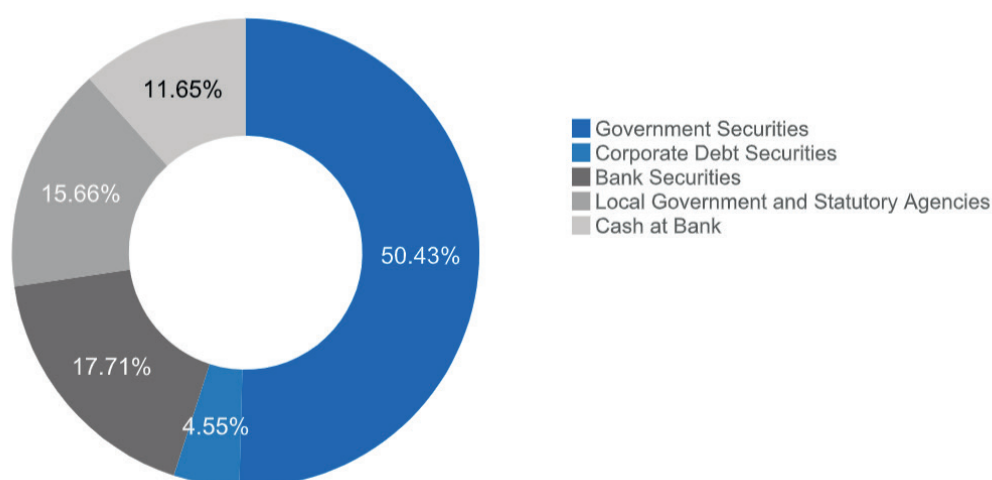
The fund ended the year with GHS 2.17 million assets under management representing a 1.61% decline from the previous year. The decline was due to the impact of the debt restructuring program and the introduction of the mark-to-market valuation approach by the Securities and Exchange Commission (SEC). Notwithstanding the lack of investor confidence coupled with macroeconomic pressures, the fund maintained its objective to achieve income growth and preservation of capital, through a portfolio of fixed-income instruments.



Portfolio Asset Allocation

During the reporting period, the Fund allocated 50.43% of its Assets under Management (AUM) to Government of Ghana securities (Bills, Notes, and Bonds), 4.55% to Corporate Bonds, and 15.66% to Local Government and Statutory Agencies Securities. The fund exceeded its cash holdings mandate to accommodate withdrawals resulting from the shift in investor sentiments caused by the DDEP. To mitigate interest rate sensitivity, the Fund Manager continued to acquire shorter-dated securities, while maintaining the purchase of Government of Ghana Bonds.

Asset Allocation



Returns

AIT recorded a decline of -4.97% based on the marked-to-market valuation of its portfolio of assets, its unit price falling from GHS 1.2193 as of December 2022 to GHS 1.1587. This decline led to an increase in its unrealized loss from GHS 60,157.06 in 2022 to GHS 428388.20. This was mainly attributed to a large portion of its funds in Government of Ghana securities which were the main absorber of the financial crises in the sand year.

Outlook

In 2024, the global economy is anticipated to face a challenging landscape, contending with the lingering effects of the pandemic and possible geopolitical tensions. We forecast that the global economy will grow at 3.2%. This outlook is based on our prediction that all sectors, particularly the technology sector, of the global economy will be very resilient in the face of some possible economic pressures.

In Ghana, we expect overall real GDP to grow by 4% in the Q1 of 2024 and expect the year to close around 6%. The growth in GDP we believe will be driven by the industry and agriculture sectors and will serve as a recovery from the financial crises of 2023. Additionally, we forecast that the country's inflation will decrease marginally given the Government of Ghana's commitment to reducing inflation and the ongoing IMF Bailout program.

With regard to currency, we expect the cedi is to depreciate against major currencies such as the US Dollar, British Pound, and Euro in 2024. This performance will be influenced by the substantial fundamental supply-demand imbalances in the foreign exchange market as well as inadequate forex supply.

As we enter the election year, we are of the opinion that investor sentiments towards the fixed-income market will decline, possibly resulting in under-subscription of the Treasury's financial targets. Conversely, the equity market may witness a surge in traded volumes, buoyed by stocks like MTNGH. MTNGH is poised to sustain its dominance in the market and potentially yield significant returns for its investors, potentially engendering a ripple effect on the GSE-CI, given their positive correlation.

REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER TO THE UNIT HOLDERS OF ALGEBRA INCOME TRUST

The Board of Directors of Algebra Capital Limited (the Fund Manager) present the report and audited financial statements of Algebra Income Trust (the Trust) for the year ended 31 December 2023.

FINANCIAL STATEMENTS

The results for the year are set out in the attached financial statements. The Board of Directors of the Fund Manager consider the state of the affairs of the Trust to be satisfactory.

NATURE OF BUSINESS

The Algebra Income Trust is a unit trust registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized Unit Trust.

The objective of the Algebra Income Trust is to achieve income growth and preservation of capital. This will be attained through a portfolio of fixed income instruments that will be targeted at generating a return above the average fixed income benchmark.

DIVIDEND DISTRIBUTION POLICY

The Trust does not distribute dividends. All income earned is reinvested. Unitholders should be aware that the Trust aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

i. INVESTMENT DISTRIBUTION:

Total Investment for the year ended 31 December 2023 is made up as follows:

ASSETS	2023	2022
	GHS	GHS
Government of Ghana Securities	1,097,560	1,661,992
Fixed Deposits	385,561	-
Corporate Bonds	98,997	100,393
Local Gov't and Statutory Agencies Securities	340,830	299,766
Cash and cash equivalents	253,624	153,090
	2,176,572	2,215,241

ii. BELOW ARE THE ASSET ALLOCATION PERCENTAGES FOR THE PERIOD ENDED:

	2023	2022
	(%)	(%)
Government of Ghana Securities	50	75
Fixed Deposits	18	-
Corporate Bonds	4	5
Local Gov't and Statutory Agencies Securities	16	13
Cash and cash equivalents	12	7
	100	100

Total Investment for the year ended 31 December 2023 is made up as follows:

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors of the Fund Manager on 30th April, 2024 and signed on its behalf by:

NAME: Stephen Anson

SIGNATURE: [Signature]

NAME: Kofi Osei-Sampson

SIGNATURE: [Signature]

REPORT OF THE TRUSTEES

Guaranty Trust Bank (Ghana) Ltd
 CS406022014
 25A, Castle Road, Ambassadorial Area, Ridge
 P.M.B CT 416, Cantonments, Accra, Ghana
 Tel: (+233 302) 611 560, 680 662, 680 746, 676 474, 923 924, 966 755
 Toll free: 0800 124 000
 www.gtbankghana.com



Guaranty Trust Bank (Ghana) Ltd
 CS406022014

REPORT OF THE TRUSTEES TO THE INVESTORS OF ALGEBRA INCOME TRUST

In our independent opinion as Trustee, the Manager has, in all material respects, managed the Fund during the period, in accordance with the Unit Trust and Mutual Funds Regulations, 2001, (L.I 1695) and the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For the year 1st January 2023 to 31st December 2023, we have held the assets for the Algebra Income Trust, including securities and income that accrue thereof, to the order of the Fund and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund manager.

Yours faithfully,

For: Guaranty Trust Bank (Ghana) Limited


 Authorized Signatory


 Authorized Signatory

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF ALGEBRA INCOME TRUST



7th Floor, Trust Towers
Farrar Avenue, Accra
P.O. Box K 1 A, 16088
Airport, Accra

John Kay & Co.

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Email: info@johnkay.net

Opinion

We have audited the accompanying financial statements of Algebra Income Trust, which comprise the statement of financial position for the year ended 31 December 2023, the statement of comprehensive income for the year ended, the statement of movement in net assets for the year ended, Cash flow statements for the year ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 35.

In our opinion, the financial statements give a true and fair view of the financial position of Algebra Income Trust for the year ended December 31, 2023, and of its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards (IFRS), with the IAS 29 directives issued by the Institute of Chartered Accountants Ghana (ICAG), in the manner required by the Security Industry Act 2016 (Act 929), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Fund Manager for the Financial Statements

The Fund Manager is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Fund Manager is also responsible for overseeing the Trust's financial reporting process.

In preparing the financial statements, the Fund Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures



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that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Key Audit Matter

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements.

Domestic Debt Exchange Program

During the year, the Government of Ghana invited Collective Investment Schemes that were holding Domestic Notes and Bonds of the Central Government, E.S.L.A Plc and Daakye Trust Plc bonds to exchange their existing bonds for a package of new bonds under the alternative offer for Unit Trust.

The Scheme heeded the invitation and consequently exchanged GHS 1,831,916 of old bonds for new.

The impact of the Debt exchange program is significant to the Fund as it affects the valuation, classification, and financial performance of the Fund's financial assets. We have therefore determined the debt exchange program as a key audit matter.

Audit Procedures Performed

Valuation of Debt Instruments: We assessed the appropriateness of the valuation methodologies used by management, considering factors such as market conditions, credit risk, and the terms of the exchange agreement.

Recognition and Measurement: We evaluated, whether the criteria for recognition of gains or losses from the exchange as per the applicable accounting standards, International Financial Reporting Standards (IFRS) have been appropriately applied. This involved assessing whether the conditions for derecognition of the old debt instruments and recognition of the new ones have been duly met and whether any modification of terms has occurred.

Disclosure Requirements: We assessed whether disclosures related to the debt exchange transactions are comprehensive and in compliance with relevant accounting standards and regulatory requirements. This includes evaluating the adequacy of disclosures regarding the nature and extent of the exchanges, the impact on the financial position and performance of the mutual fund, and any associated risks.



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Internal Controls and Documentation: We evaluated the effectiveness of internal controls established by management to identify, evaluate, and account for such transactions. This includes assessing the adequacy of controls over the valuation process, authorization and approval procedures, and the documentation of key decisions and assumptions.

We also perform substantive testing to validate the accuracy and completeness of the information provided by management.

Report on Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Trust so far as it appears from our examination of those books, and; The Trust's Statement of Assets and liabilities and income and Distribution Accounts are in agreement with the books of Account. We are also independent of the company pursuant to section 143 of the companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this Independent Auditor's Report is

GILBERT ADJETEY LOMOFIO
(P/No-ICAG/P/1417)

For and on behalf of John Kay & Co. (ICAG/F/2024/128)
Chartered Accountants
Accra.

For and on behalf of John Kay & Co. (ICAG/F/2024/128)
Chartered Accountants
Accra.

20/4/ 2024





investing in a secure retirement...

Retirement is the reward for a lifetime of hard work, planning for retirement is essential, no matter your age. Algebra Income Trust helps you build a strong foundation for your retirement.



Algebra
Capital
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Limited



www.algebracapital.com.gh
030 277 8553

STATEMENT OF ASSETS AND LIABILITIES

FIXED INTEREST SECURITIES

	MARKET VALUE GH¢	PERCENTAGE OF NET ASSET (%)
GOVERNMENT OF GHANA SECURITIES		
91 Day Treasury Bill	99,996	4.67
4- Year Note	540,936	25.25
5 - Year Bond	456,628	21.32
	1,097,560	51.24
LOCAL GOVERNMENT & STATUTORY AGENCIES SECURITIES		
1-year Cocoa Bill	17,040	0.80
2-year Cocoa Bill	68,166	3.18
3-year Cocoa Bill	85,208	3.98
4-year Cocoa Bill	85,208	3.98
5-year Cocoa Bill	85,208	3.98
	340,830	15.92
CORPORATE BONDS		
3 - Year Bond	98,997	4.62
	98,997	4.62
FIXED DEPOSITS		
30-Day FD	385,561	18.00
	385,561	18.00
FUNDS ON CALL		
Cash and Cash equivalents	253,624	11.84
	253,624	11.84
TOTAL FINANCIAL ASSETS	2,176,572	101.62
Liabilities	(34,412)	(1.62)
TOTAL NET ASSETS	2,142,160	100%

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE(S)	2023 GHS	2022 GHS
ASSETS			
Cash & Cash Equivalents	9	253,624	153,090
Financial assets at Fair Value through OCI	10	1,922,948	2,062,151
TOTAL ASSETS		2,176,572	2,215,241
LIABILITIES			
Account payables	11	31,412	26,253
TOTAL LIABILITIES		31,412	31,412
NET ASSETS		2,145,160	2,188,988
REPRESENTED BY:			
Capital Account	12	1,955,507	1,871,159
Retained Earnings	13	649,421	348,586
Investment Revaluation Reserve	14	(459,768)	(30,757)
TOTAL MEMBER'S FUND		2,145,160	2,188,988

The financial statements set out on pages 20 to 35, which have been prepared on the going concern basis, were signed for and on behalf of the Manager by:

NAME: Sigman Anon

SIGNATURE: [Signature]

NAME: Kofi Osei-Sampson

SIGNATURE: [Signature]

The notes on pages 25 to 35 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE(S)	2023 GHS	2022 GHS
REVENUE			
Interest income	7	393,244	367,682
Total Income		393,244	367,682
EXPENSES			
Fund Management Fees		43,951	43,591
Trustee Fees		5,494	5,893
Transaction Charges		599	1,505
Audit Fees		20,000	10,000
VAT on Audit Fees		4,380	2,190
Administrative Expenses		13,185	13,077
AGM Expenses		4,800	-
Total Expenses		92,409	76,256
NET INVESTMENT INCOME		300,835	291,426
OTHER COMPREHENSIVE INCOME			
Net gains/(losses) on investments	8	(459,768)	(30,757)
TOTAL COMPREHENSIVE INCOME		(158,933)	260,669

The notes on pages 25 to 35 form an integral part of these financial statements.

STATEMENT OF MOVEMENTS IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
Changes in net assets from operations		
Net income from operations	300,835	291,426
Net gains/(losses)	(459,768)	(30,757)
Reversal of prior year's unrealized gain or loss	(30,757)	-
Net change in net assets from operations	(128,176)	260,669
Change in net assets from capital transactions		
Proceeds from Issue of Shares	416,086	1,405,021
Share Redemption	(331,738)	(820,652)
Net change in net assets from capital transactions	84,348	584,369
Additions to net assets	(43,828)	845,038
Analysis of changes in net assets for the year		
At 1 January	2,188,988	1,343,950
Additions to net asset	(43,828)	845,038
At 31 December	2,145,160	2,188,988

The notes on pages 25 to 35 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
CASHFLOWS FROM OPERATING ACTIVITIES		
Increase in net assets attributable to unit holders	(158,933)	260,669
Adjusted for:		
Interest Receivable	(66,960)	(60,541)
Net gains/(losses) on investments	459,768	30,757
Reversal of prior year's unrealized gain/loss	30,757	-
Changes in Working Capital:		
Management Fees Payable	(32)	(7,244)
Trustee Fees Payable	21	796
Administrative Expenses Payable	(9)	(2,173)
Legal Fees Payable	(7,011)	(4,839)
Audit Fees Payable	10,000	3,000
VAT on Audit Fees Payable	2,190	842
Net Cash Flows from Operating Activities	269,791	221,267
CASHFLOWS FROM INVESTING ACTIVITIES		
Purchase of Financial Assets	(4,436,170)	(1,983,823)
Proceeds from Redeemed Investments	4,182,565	1,215,313
Net Cash Flows from Investing Activities	(253,605)	768,510
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	416,086	1,405,021
Amount paid on redemption of units	(331,738)	(820,652)
Net Cash Flows from Financing Activities	84,348	584,369
Net Increase/(Decrease in Cash and Cash Equivalents	100,534	37,126
Cash and Cash Equivalents at 1 January	153,090	115,964
Cash and Cash Equivalents at 31 December	253,624	153,090

The notes on pages 25 to 35 form an integral part of these financial statements.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Algebra Income Trust (“The Trust”) is an open-ended unit trust offered to investors who are seeking to maximize short term income while preserving capital. The Trust’s investment objective is to maximize short term income while aiming to preserve capital and to maintain a high degree of liquidity. Algebra Income Trust is a Unit Trust and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 3 of the annual report.

2. BASIS OF ACCOUNTING

a. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and the Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695)

b. Functional and Presentation Currency

The financial statements are presented in Ghana Cedi (GH¢) which is the organisation’s functional and presentation currency.

c. Use of Estimates and Judgement

The preparation of financial statements in conformity with the International Financial Reporting Standard (IFRS) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the period in the preparation of the trust’s financial statements.

(a) Investment income recognition

Interest income, including interest income on financial assets at fair value through other comprehensive income (FVTOCI), is recognized in the income and distribution account using the effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable are recognized in the income and distribution account as interest income.

(b) Financial instruments

Financial assets and financial liabilities are recognized in the trust’s statement of financial position when the trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the trust may make the following irrevocable election/designation at initial recognition of a financial asset:

- the trust may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the trust may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured

subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the trust recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

b. Debt instruments classified as at FVTOCI

Government bonds, local government bonds and treasury bills held by the trust are classified as at FVTOCI in compliance with the directive by the Securities and Exchange Commission (SEC) for fund managers to use FVTOCI for valuation of portfolios of collective investment schemes. These assets are initially measured at fair value plus transaction costs. Changes in the carrying amount of these assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income and accumulated in investment revaluation reserve are reclassified to profit or loss.

Impairment of financial assets

The trust recognizes a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The trust always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the trust recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the trust's debtors operate, obtained from

economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the trust's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the trust presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the trust has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the trust assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The trust considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guaranteed contracts, the date that the trust becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the trust considers the changes in the risk that the specified debtor will default on the contract.

The trust regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

The trust considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the trust, in full (without taking into account any collateral held by the trust).

Irrespective of the above analysis, the trust considers that default has occurred when a financial asset is more than 90 days past due unless the trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event;
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The trust writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

vi. Derecognition of financial assets

The trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the trust recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the trust continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the trust has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their value and are used by the trust in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

Amendments to IFRS 9, Financial Instruments

The amendment clarifies which fees to include in the '10%' test to determine whether a financial liability has been substantially modified (i.e. the derecognition analysis). A borrower includes only fees paid or received between itself and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

5. NEW AND AMENDED STANDARDS NOT EFFECTIVE FOR THE CURRENT PERIOD

Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements)

The amendment continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include:

- requiring companies to disclose their material accounting policies instead of their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

This is effective for periods beginning on or after 1 January 2023.

Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)

This amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively.

The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

This is effective for periods beginning on or after 1 January 2023.

6. RELATED PARTIES AND KEY CONTRACTORS

a. Managers

An investment management company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana as a Fund Manager was appointed to implement the investment strategy and objectives as stated in the Funds investment management policy manual. Under the investment management agreements, The Management Fee will be calculated as 2.00% of the value of the net assets of the unit Trust for each closing day divided by 365 (or, in a leap year, 366) to ascertain the fee for that closing day. The fee for that closing day shall be accrued with the

subsequent day's fee as computed and charged in bulk to the scheme on a monthly basis. The Management Fee will be paid out of the property of the Scheme.

b. Trustees

The Board of Directors of the Fund Manager of the Trust appointed Guaranty Trust Bank (Ghana) Limited, a Limited liability company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana to provide Trustee services to the Fund managers. Under the Trustee agreement, The Trustee is entitled to receive remuneration for its services which, together with any indirect taxation, shall be paid out of the property of the Scheme. The remuneration shall consist of a monthly charge at a rate of 0.25 percent per annum of the property of the Scheme.

	2023 GH¢	2022 GH¢
7. INTEREST INCOME		
Interest Income on Government of Ghana Securities	125,901	262,180
Interest Income on Fixed Deposits	36,184	26,443
Interest Income on Corporate Bonds	90,716	31,278
Interest Income on LGSAS	136,252	46,055
Interest on call account	4,191	1,726
	393,244	367,682
8. NET GAINS/(LOSSES) ON INVESTMENTS		
Unrealized gain on LGSAS	-	23,727
Unrealized loss on G.O.G Securities	(458,316)	(54,484)
Corporate Bonds	(1,452)	-
	(459,768)	(30,757)
9. CASH AND CASH EQUIVALENTS		
Cash and Funds on Call	253,624	153,090
	253,624	153,090

10. FINANCIAL ASSETS

	Balance 1/1/23 GHS	Purchase at cost GHS	Sale at cost GHS	Accrued interest GHS	Change in fair value GHS	Value at 31/12/23 GHS
<i>a. Analysis of changes in fair value of financial instruments at fair value through OCI</i>						
31 December 2023						
G.O.G Securities	1,661,992	3,507,888	(3,666,170)	52,166	(458,316)	1,097,560
Fixed Deposits	-	385,000	-	562	-	385,562
Corporate Bonds	100,393	-	(393)	449	(1,452)	98,997
LGSAS	299,766	543,282	(516,002)	13,783	-	340,829
	2,062,151	4,436,170	(4,182,565)	66,960	(459,768)	1,922,948
	Balance 1/1/22 GHS	Purchase at cost GHS	Sale at cost GHS	Accrued interest GHS	Change in fair value GHS	Value at 31/12/22 GHS
31 December 2022						
G.O.G Securities	835,914	969,848	(149,771)	60,485	(54,484)	1,661,992
Fixed Deposits	224,357	270,000	(494,357)	-	-	-
Corporate Bonds	100,337	-	-	56	-	100,393
LGSAS	103,248	743,975	(571,185)	-	23,727	299,766
	1,263,856	1,983,823	(1,215,313)	60,541	(30,757)	2,062,151

Per Directive Number SEC/DIR/002/10/2023 issued on 20 October 2023, the Securities and Exchange Commission (SEC) directed fund managers, custodians, and trustees to use fair value through other comprehensive income (FVTOCI) in valuing portfolios of collective investment schemes (Unit Trusts and Mutual Funds). As such, the fund's assets which were previously valued at Amortised cost have been valued at FVTOCI in compliance with this directive.

	2023 GH¢	2022 GH¢
11. ACCOUNT PAYABLES		
Fund Management Fees	3,723	3,755
Trustee Fees	2,192	2,171
Administrative Fees	1,117	1,126
Legal Fees	-	7,011
Audit Fees	20,000	10,000
VAT on Audit Fees	4,380	2,190
	31,412	26,253

	2023 No. of units	2023 GH¢	2022 No. of units	2022 GH¢
12. CAPITAL ACCOUNT				
Balance at 1 January	1,807,081	1,871,159	1,266,167	1,286,790
Contributions	342,138	416,086	1,241,588	1,405,021
	2,149,219	2,287,245	2,507,755	2,691,811
Redemption	(282,339)	(331,738)	(700,674)	(820,652)
Balance at 31 December	1,866,880	1,955,507	1,807,081	1,871,159

	2023 GH¢	2022 GH¢
13. RETAINED EARNINGS		
Balance at 1 January	348,586	57,160
Net Income for the year	300,835	291,426
Balance at 31 December	649,421	348,586

	2023 GH¢	2022 GH¢
14. INVESTMENT REVALUATION RESERVE		
Balance at 1 January	(30,757)	-
Reversal of prior year unrealized gain/loss	30,757	-
Net gains/(losses) during the year	(459,768)	(30,757)
Balance at 31 December	(459,768)	(30,757)

15. TAXATION

The income of an approved unit trust scheme or mutual fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended.

16. FINANCIAL RISK MANAGEMENT**(a). Asset/Portfolio/Credit risk**

Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the scheme's assets are invested will fail to discharge their obligations or commitments to the trust, resulting in a financial loss to the trust. The trust's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the trust's investment policy statement.

(b). Liquidity risk

Liquidity risk is the risk that the trust either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The trust's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial asset

31 December 2023

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Government Bonds	-	99,996	-	997,564	1,097,560
LGSA Bonds	-	17,040	323,790	-	340,830
Corporate Bonds	-	98,997	-	-	98,997
Fixed Deposits	385,562	-	-	-	385,562

The following are contractual maturities of financial asset

31 December 2023

Financial Liabilities	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Administrative Expenses Payable	31,412	-	-	-	31,412

(c) Market risk

The trust takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. Trading portfolios include those positions arising from market-making transactions where the trust acts as principal with clients or with the market.

(d) Foreign exchange risk

The trust had no foreign currency-denominated assets and liabilities at year-end. All assets and liabilities at the balance sheet date were denominated in Ghana Cedis.

(e) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the trustees on the appropriate balance of the portfolio between fixed-rate interest, and variable-rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the trustees.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the trust's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements. Operational risks arise from all the trust's operations and are faced by all collective investment schemes. The trust's objective is to manage operational risk to balance the avoidance of financial losses and damage to the trust's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the fund manager. This responsibility is supported by the development of the following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

17. CONTINGENT LIABILITIES

There was no contingent liability at the end of the year

18. EVENT AFTER REPORTING PERIOD

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

As at the end of the reporting period, there were no events after the reporting period that relate to the year under consideration.

PROXY

Annual General Meeting of Algebra Income Trust is to be held virtually via Zoom on 5th November, 2024 at 10:00am

I/We.....being a Unit Holder(s) hereby appoint as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 5th November, 2024 and at any adjournment thereof.

Dated this 30th September 2024

.....
Unit Holder(s) Signature

Resolutions	For	Against
1. To consider the Directors' Report and the Report of the Auditors for the year ended 31st December 2023		
2. To receive and adopt the Financial Statements for the year ended 31st December 2023		
3. To receive the Report of the Fund Manager for the Year ended 31st December, 2023		
4. Authorize the Directors to fix remuneration of Auditors		
Special Business		
5. To request for an approval to rebalance the asset allocation limits of the Algebra Income Trust in the Scheme Particulars		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

(Do not complete this form if you will attend the meeting)



5th Floor, Nester Square
North Liberation Link, Airport City
Contact Us On : 0302 778 552 / 030 778 553
info@algebracapital.com.gh / www.algebracapital.com.gh